

Spy Versus Spy^{STAT} in Washington^{STAT}

by Jeffrey Stein

IT WAS EXACTLY NOON on a balmy spring day in 1967 when the young man in the tan suit walked up to an intersection on Pennsylvania Avenue near the Justice Department, put the shopping bag down on the sidewalk beside him, and lit a cigarette. His eyes made a final sweep of the area until they locked on a similarly dressed man sitting with crossed legs at a table in a sidewalk cafe across the street.

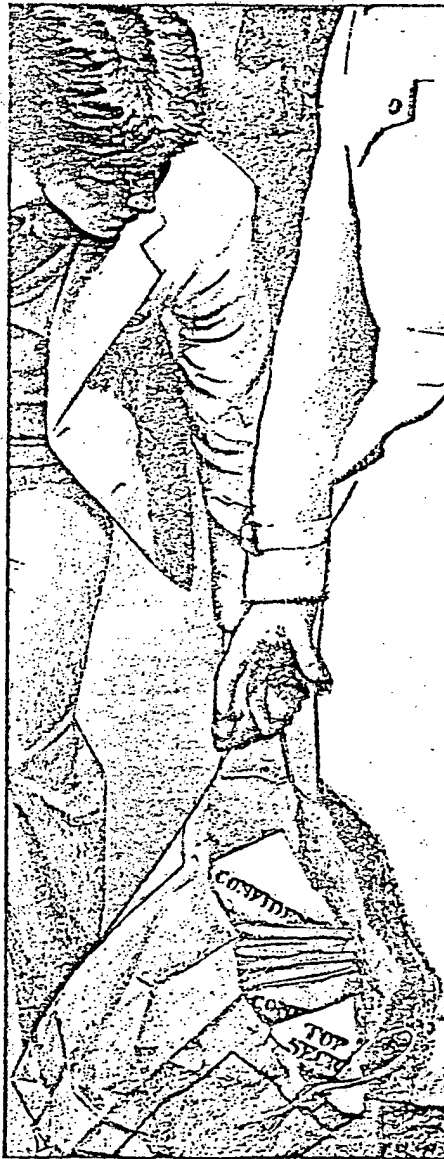
Except for their unusually short hair, both men could have been easily mistaken for any of the thousands of young bureaucrats who escape from the federal office buildings along the avenue each lunchtime to quench their boredom in the area's department stores, bars, and restaurants.

But they were not: Both men were nervous spies-in-training on a field exercise from the U.S. Army Intelligence School at Fort Holabird, Maryland. The day's mission was to teach the two—plus some 30 classmates running around other parts of the city—how to pass information clandestinely from one person to another, a key maneuver in the successful espionage agent's repertoire. The men were supposed to exchange their shopping bags at the corner in the middle of the lunchtime throngs, but soon there was a frightening botch.

The agent standing on the sidewalk found only thin air as he reached for his shopping bag. Looking to his left, blood pounding in his temples, he watched another man in a tan suit walk off with it into the crowds. The agent in the cafe collapsed back into his chair.

Whether the story is real or apocryphal is impossible to determine, but it was passed around with the greatest gravity at Fort Holabird. In a further twist, it was even said that the man who walked off with the shopping bag was not a thief, but an agent trainee from the CIA who had accidentally walked into the wrong exercise!

The story was bound to show up through a leak or in somebody's memoir sooner or later, for today the Washington press is full of revelations of spying and



counterspying, of agents lost and gained, of payoffs, "moles," and murder by foreign secret police.

In short, the black arts of the Cold War are being practiced as fully in the back alleys of Washington, D.C., today as they always have been in places like Berlin, Bonn, Hong Kong, and Paris. The capital of the United States has joined the big leagues of Spookdom.

Strictly in the arena of espionage and counterespionage are the teams of intelligence officers from the CIA and the three military branches (collectively known as the Defense Intelligence Agency). Special departments of the FBI work exclusively on catching foreign spies from their new headquarters in the J. Edgar Hoover Building on Pennsylvania Avenue. Around the corner at the Justice Department, agents from the Drug Enforcement Agency start out on the international narcotics trail.

A special kind of sleuthing is the responsibility of the Bureau of Alcohol, Tobacco, and Firearms. In February, a combined team of BATF and FBI agents swooped down on the house of a suburban man who had put together a small arsenal of weapons to send to a Caribbean island embroiled in a revolution.

Retired spooks can sometimes be just as much of a headache for the colleagues they left behind. Many of them set up "covert action"-oriented consulting firms on contract to foreign governments. So it was that Edwin Wilson, a retired CIA officer and veteran of the Bay of Pigs, got in hot water two years ago for using his agency contacts to buy and ship illegal explosives to Libya. Wilson is the president of Consultants International, located three blocks from the White House on K Street NW.

Backing up the agents out on the street are the legions of national security bureaucrats in Washington. There are said to be 20,000 CIA employees headquartered at Langley, Virginia, just across the Potomac River, and perhaps that many National Security Agency workers at nearby Fort Meade, Maryland. Not to be outdone, the State Department has its own Intelligence and Research Bureau. On Capitol Hill, the House and Senate Intelligence committees have a couple of hundred analysts poring over classified matters.

Social problems come with the territory. Lovers can't talk about their work. Want to pick out a national security bureaucrat at a Washington party? He (or she) is the one in the corner smiling

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tightly, sipping cautiously on a single drink for two hours, not saying much. Great company.

The spadework of the spook world continues to have its grisly side, and Washington itself is no longer off-limits for dirty work.

One grim episode occurred on the morning of September 21, 1976, when agents of the Chilean secret police blew up a car being driven by Orlando Letelier through the elegant Embassy Row section of town. Letelier, in exile in the United States, had once been a cabinet officer in the government of socialist President Salvador Allende. His organizing of the Chilean exile community, and lobbying of U.S. and foreign officials, had become intolerable to the military junta that had overthrown the Allende government, so they blew him up. A young American colleague, Ronni Karpen Moffitt, also died in the attack.

The Chilean secret police had been set up with the help of our CIA, as was the South Korean CIA and Iran's notorious SAVAK, all of whom were giving us a lot of trouble. Investigating "friendly" spooks became a full-time job for Congress and the FBI.

THE MAIN target of FBI and CIA counterespionage officials in Washington, of course, is the diplomatic community of the Soviet Union and Eastern European countries. Estimates are that the number of diplomatic and other personnel assigned to this country from Communist nations has tripled—from 2,000 to 6,000—in the past four years. FBI sources say that anywhere from 35 to 60 percent may be intelligence agents, and that there are over 100 KGB operatives roaming Washington alone.

"They are extremely good," says a retired federal official with 25 years of counterespionage experience. The Russians, he says, take special care to keep their operations strictly compartmented from one another, so that a breach by the CIA or FBI doesn't bring down the entire KGB station. "Their security is very good," he declares.

A target for both the Soviet intelligence force and the CIA is the diplomatic community of the Third World in Washington. Both sides frequent the diplomatic cocktail circuit—often with a tip of the champagne glass to one another—in search of useful foreign bureaucrats.

After the cocktail parties, the embassies sometimes become the operational territory for a different kind of intel-

ligence specialist: the black-bag men. In their relentless pursuit of information, the rival intelligence services have sometimes seen fit to slip into an embassy at night uninvited to plant a bug or photograph documents. Intelligence specialists and author David Wise described FBI and CIA entries into the Chilean embassy during the Allende years in *The American Police State*.

Another story that has made the rounds of intelligence circles for years makes light of black-bag jobs in general and the CIA in particular.

The basic version is that the CIA decided to mount an illegal entry operation against a certain embassy. (Some people name it as Iran, others Egypt.) After months of careful planning, the CIA man finally got inside, only to find Israelis working over the place ahead of him.

All of this spy activity requires a lot of spy-watching. The Soviets alone have over half a dozen installations around Washington housing about 200 official personnel and their families. Across from some of the locations the FBI maintains discreet watching posts equipped with cameras and electronic listening equipment, such as in the office building opposite the Soviet embassy on 16th Street five blocks from the White House.

A new Soviet embassy is being built in the upper Georgetown section of Washington, but the FBI seems prepared for that as well. People living in high-rise apartment buildings around the construction site report that they have been approached by FBI agents in search of help to keep an eye on the Russians.

The embassies of the Communist countries are only in the largest and most secure home bases for the intelligence operatives. U.S. officials say that as many as half the Soviet newsmen working out of the TASS offices in the National Press Building in downtown Washington may be KGB agents. Others work under cover of their national airlines, such as the Soviet Aeroflot, which has an office next to the embassy as well as at Dulles Airport in Virginia.

Neither is the CIA limited to its plush, forested campus in Langley. There are warrens of CIA offices in the new glass-and-steel high-rise buildings directly across from Georgetown in Rosslyn, Virginia; on the military grounds of Fort McNair; and in various buildings scattered throughout downtown Washington—perhaps 20 or more in all.

Foreign police, many from Latin America's most brutal military dictatorships, used to receive CIA training in

secret offices in the heart of fashionable Georgetown, in a building which also housed an antique automobile museum called the "Car Barn," until Congress shut it down a few years ago.

Until very recently, the CIA maintained "a telecommunications facility" at 3238 M Street smack in the middle of Georgetown's most elegant restaurant district. The office site was exquisitely picked. The address is actually a narrow alley whose red brick walls provide the unwanted intruder no escape. Only one door opens onto a single wooden landing in the alley, guarded by tilted mirrors allowing someone above to know who is at the door.

The CIA doesn't expect that all of its downtown locations can be kept entirely secret, and some operate under much deeper cover than others. Everybody who wanted to, for example, knew that the CIA owned Air America, the charter service for Laotian missionaries in the "Secret War," and that its offices were at 1725 K Street NW. ("We're in liquidation," a woman told me upon a visit there in February, without the slightest hint of irony.)

A CIA man recently apologized for not telling a friend about his office in one of the new federal office buildings at the foot of Capitol Hill, on the other hand, "because we'd like to keep it a secret for just a little while."

Two years ago, a minor flap developed when one secret CIA office downtown caught on fire. When the fire trucks arrived, the CIA people wouldn't let the firefighters in at first, provoking a potential holocaust on the block.

OUTSIDE OF THE embassies and offices, intelligence sources report, Washington becomes a virtual playpen for agents. Inside the city itself are the miles upon miles of public parkland suitable for brief meetings of agents. Rock Creek Park, with its jogging paths, benches, and footbridges over the gurgling stream that winds through the city, is a favorite place for agents in need of a brief, discreet meeting or pass of information. A wildly improbable but favorite meeting place for the KGB and its contacts at one time, a retired federal investigator says, was the foot of the Washington Monument. Almost always clogged with tourists, the milieu was apparently conducive to an unobtrusive pass of material.

But the city's biggest asset for those who ply the espionage trade, besides the information itself, is its multiracial, multicultural landscape. "A white man trying to make a contact in many areas of Latin America has a lot of problems to start with," says a former senior CIA operative. "In Washington, on the other hand, you've got large numbers of people from all over, speaking all kinds of lan-

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Divisions within the intelligence community have led to a 'mole war.' Former CIA director William Colby even took to announcing, 'I am not a mole.'

guages. You can blend in."

After work, emissaries from U.S. and foreign intelligence services have their favorite watering holes around the city. Generally upper-class, they all seem to prefer the more cushy joints. Except for the Russians. "They liked the Hot Shoppes" (a Marriot chain of cafeterias), an FBI man smiled.

A notoriously favored place for all kinds of operatives in the city—intelligence agents, mercenaries, gunrunners, private eyes, and the like—is the Class Reunion on H Street N.W. near the White House.

It seemed a good place to meet Bill Schaap. "If you hadn't shown for another 10 minutes, I was going to start thinking I was set up to be iced," said Schaap as I pulled up a bar stool. Schaap is the editor of "Covert Action Information Bulletin," the stated goal of which is "to expose CIA personnel whenever and wherever we find them." Schaap's collaborator in this prickly venture is Philip Agee, once an operative for the CIA, now one of its most fierce critics.

In the corner, the jukebox oozed a 30-year-old Frank Sinatra torch song. At the table next to it, a mournful-looking, long-legged brunette sat alone, one hand cupping a drink, the other lifting a cigarette to her lips. A government I.D. hung from a chain around her neck.

"CIA?" asked a man at the next table, evidently making a pass.

She stirred her drink with a finger.

"No. D.O.D.," she said, her mouth parting with the hint of a smile. A few minutes later, he joined her at the table.

Schaap, 35, started out with a Wall Street firm after law school at the University of Chicago. Activism during the Vietnam War eventually led to his association with Agee and the publication of the bulletin, starting last fall. Former CIA Director John McCone calls the work of Agee and other CIA critics "more damaging than that of the most serious defectors."

Schaap isn't fazed by the barbs. "Terrific," he says.

"When the first issue of the bulletin came out, there were nasty phone calls, death threats, and lots of heavy breathing," Schaap added. "We assume everywhere we work is bugged."

He stirred his drink. "There was a funny incident the other day. We met this guy from *Time* magazine at a hotel. When we walked out on the sidewalk later, a guy walked up, took our picture, and disappeared down a side street.

That was a little bizarre."

Schaap and his colleagues occupy the most militant quarters of a definable anti-CIA establishment that has grown up in Washington over the past several years. Across the green from the Capitol itself are the offices of the Center for National Security Studies, whose director is Morton Halperin, a former Kissinger aide. The offices also house the Campaign for Political Rights, formerly known as the Campaign to Stop Government Spying.

To counter the growing legion of church and civic groups concerned about CIA and FBI abuses, an anti-anti-CIA lobby has developed here as well. Leading the pack is the Association of Former Intelligence Officers, headquartered in McLean, Virginia, and founded five years ago by David Phillips, a career covert CIA operative. Claiming 2,500 members, the AFIO publishes an eight-page newsletter called "Periscope" and sponsors annual conventions of retired spooks.

A more academic version of the AFIO has recently been put together by former CIA Deputy Director Ray S. Cline and other former CIA and military officials. Dubbed the "National Intelligence Study Center," one of its goals is to "act as a catalyst in encouraging the writing and public dissemination of serious books on intelligence...." Serious books with a particular kind of flavor, one may presume. "This is not a CIA whitewash operation," Cline volunteered in a telephone conversation.

Both organizations have been set up to counter the anti-CIA mood which has swept over the country during the 1970s as a result of congressional investigations and books by disaffected former intelligence officers. The current arena of struggle is again Congress, where new charters are being written for the intelligence agencies.

On the fringe of these groups, acting predominantly as social clubs and conduits of favorable information to friendly solons on the Hill, are the Society of Former Special Agents of the FBI and the Association of Federal Investigators.

SUCH ORGANIZATIONS represent only the most visible actors in a private drama which has come to dominate the Washington press for the past few years, a drama that accounts for what seems to be a flood of spy stories. Of course, espionage news has always been manipulated by the intel-

ligence community. After all, how could they make their way into the press unless the FBI or CIA wanted them there? The KGB turns out to be handy at budget time. But the new wrinkle is that the battle is internecine; the attempts of two sides of the intelligence community to discredit each other has resulted in a "mole war," in which charges of counterespionage have gone flying back and forth, and into the press.

James Angleton, dumped unceremoniously from the post of chief of counterintelligence in 1974, has been dropping broad hints to favored journalists about the presence of a "mole" in the highest ranks of the CIA. The chief target of Angleton's attacks, former CIA director William Colby, tried to put a lighter touch on the infighting. "I am not a mole," he began to deadpan at Washington dinner parties last fall.

Meanwhile, allegations of defectors in our midst have become regular fare. Late last summer, William Kampiles, a disaffected CIA clerk, was convicted of selling the super-secret KH-11 spy manual to a KGB officer. Soon afterward, when John Paisley, a retired CIA expert of Soviet weaponry, apparently committed suicide, Washington was abuzz with rumors that the corpse was not Paisley, who was, in fact, resting safely in the Kremlin.

What is happening is that the intelligence community, racked by dissension over basic policy issues and torn up by massive personnel cuts under the spotlight of repeated investigations and accusations, has turned upon itself.

On one side are those who would like to see the CIA led back to the halcyon days of unchecked derring-do, gloved hands free for a new era of coups and "discreet help to friends" when the trumpet calls. On the other side are those, like William Colby, who think a charter spelling out exactly what the agency can and can't do would be a good thing, a necessary precondition for the CIA to slip quietly back into relative anonymity... and effectiveness.

But trying to figure out what spooks are up to is often like seeing underwater. Perhaps James Angleton had that in mind as he talked about a favorite sport one night in his living room—trout fishing.

"It doesn't matter whether you hook him," he says of the elusive fish, whose favorite hiding spot is in the dark shadows under the riverbanks. "It only matters when he takes the line, even if he later drops it, that you've beaten him. And he knows he's been beaten.

"That's the whole point of the game." ☺

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